

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for rejecting bids and consideration of a letter transmitting plans and specifications (Clerk's File) for the San Miguel Gateway and Pedestrian Enhancements, San Miguel, for Board approval and re-advertisement for construction bids. Bid opening date set for Thursday, June 18, 2015. District 1.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> <li>1. Reject all bids received for the project on March 12, 2015;</li> <li>2. Approve the revised plans and specifications for the subject contract (no. 300470);</li> <li>3. Authorize the Contract to be re-advertised for construction bids, with a recommended bid opening date of Thursday, June 18, 2015, and direct the Clerk of the Board to advertise a minimum of 21 calendar days before bid opening, no later than May 28, 2015; and</li> <li>4. Authorize the Public Works Director, or his designee, to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws.</li> </ol>			
(6) FUNDING SOURCE(S) Federal STPL and Road Fund	(7) ESTIMATED PROJECTED COST YEAR FINANCIAL IMPACT \$834,741.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 2/10/2015    #1	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 15MAY19-C-12

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
Jeff Werst, Design Division Manager  
Mike Britton, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 5/19/2015

SUBJECT: Submittal of bid opening report for rejecting bids and consideration of a letter transmitting plans and specifications (Clerk's File) for the San Miguel Gateway and Pedestrian Enhancements, San Miguel, for Board approval and re-advertisement for construction bids. Bid opening date set for Thursday, June 18, 2015. District 1.

### **RECOMMENDATION**

In accordance with applicable State Law, it is recommended that the Board:

1. Reject all bids received for the project on March 12, 2015;
2. Approve the revised plans and specifications for the subject contract (no. 300470);
3. Authorize the Contract to be re-advertised for construction bids, with a recommended bid opening date of Thursday, June 18, 2015, and direct the Clerk of the Board to advertise a minimum of 21 calendar days before bid opening, no later than May 28, 2015; and
4. Authorize the Public Works Director, or his designee, to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws.

### **DISCUSSION**

The Public Works Department is recommending a rejection of all bids for the subject project, and re-solicitation of bids due to higher than expected bids for the base bid construction and irregularities with the two lowest bidders. In addition, the base bid price of the third lowest bidder was substantially greater than the two lowest bidders. As a result, the Public Works Department has directed staff to review the construction bid package in an effort to seek ways to reduce bid amounts as well as to minimize uncertainty in contract work requirements for the Contractors. Staff is recommending re-solicitation of the revised bid package with the expectation of better bids.

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, March 12, 2015.

Eight bids were received. They are as follows:

<b><u>Bidder</u></b>	<b><u>Base Bid</u></b>	<b><u>Additive 1</u></b>	<b><u>Additive 2</u></b>	<b><u>Total Bid</u></b>
Sansone Company, Inc.	\$284,271.00	\$196,361.20	\$86,255.00	\$566,877.20
Pickard & Butters Construction, Inc.	\$286,409.05	\$184,764.30	\$110,440.98	\$581,641.33
V. Lopez Jr. & Sons	\$330,938.00	\$189,814.50	\$95,755.00	\$616,507.50
Specialty Construction, Inc.	\$365,322.00	\$205,755.00	\$90,500.00	\$661,577.00
Raminha Construction, Inc.	\$392,167.00	\$210,145.00	\$82,000.00	\$684,312.00
CalPortland Construction	\$393,675.00	\$197,608.00	\$58,000.00	\$649,283.00
Rockwood General Contractors, Inc.	\$406,920.10	\$199,897.83	\$66,085.85	\$672,903.78
R. Burke Corporation	\$466,535.00	\$240,572.50	\$82,210.00	\$789,317.50
<b>Engineer's Estimate</b>	<b>\$187,475.00</b>	<b>\$214,140.00</b>	<b>\$105,000.00</b>	<b>\$506,615.00</b>

#### Recommendation to Reject Bids

The need to reject all bids primarily results from higher than anticipated bid prices for the Base Bid (the Gateway Monuments portion of the project). Additionally, irregularities with Disadvantage Business Enterprise (DBE) documentation, and irregularities with meeting the new Department of Industrial Relations (DIR) subcontractor registration requirements prevented consideration of the two lowest bidders. The bid package was constructed to include Additive 1 for sidewalks along Mission Street and Additive 2 for street lights along Mission Street. These elements combined exceeded available project budgets. To help mitigate the higher than expected bid prices, Public Works staff worked with the design consultants, Rick Engineering, for the Gateway Monument portion of the project for revisions to the design and repackaging of the contract documents. The contract documents have also been revised to more clearly communicate the DBE program and documentation requirements, as well as the DIR subcontractor registration requirements.

The County has the legal right to reject all bids and re-advertise the project without making any findings as to whether or not any bidding irregularities occurred, and regardless of whether or not any bidding irregularities constituted material errors that could not be waived by the County. We recommend rejecting all bids and re-advertising the project with a non-mandatory pre-bid meeting to provide additional instruction to potential bidders in proper implementation of the DBE program and new DIR registration requirements, including the required forms and supporting documentation.

In addition to the discussion provided above, a written protest from the apparent third lowest bidder was received protesting the bids from the apparent first and second lowest bidders. This protest has been attached for your information only – making a determination on the protest was not needed since all bids are rejected.

## Project Background Information

As previously programmed by SLOCOG and allocated by Caltrans, this project would place gateway monuments along US 101 at either end of the town – one near the Mission Street off-ramp for southbound traffic, and one south of the Mission Street off-ramp for northbound traffic – along with sidewalks to be installed along the west side of Mission Street from 9<sup>th</sup> Street to 11<sup>th</sup> Street. This work continues previous Mission Street sidewalk construction contract work. The gateway monuments were designed through working sessions with an Ad Hoc Committee, and received overwhelming approval. The San Miguel Advisory Council was offered an opportunity to approve of the concept and provided their approval as well. The San Miguel Chamber of Commerce expressed their support of the Gateway Monuments as well as their desire to provide for the maintenance of the Gateway Monuments.

For the re-bid documents, the proposed lighting for the monuments has been modified so that none of the lighting is built into the monuments, and will be subjugated as an additive bid item - if the anticipated cost reductions for the monuments are not realized, then the monuments will be constructed without lighting. The project has a limited budget for construction, and as such, the bid package provides for bidding various elements separately. The gateway monuments are recommended to be the base bid, while the sidewalks and the monument lighting are Additive bid items #1 and #2, respectively. As a result, if bids are particularly unfavorable, the County can assure construction of the gateway monuments, while the rest would be considered for construction if, and only if, the bids are low enough.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The San Miguel Gateway Monument Ad Hoc Committee and the San Miguel Advisory Council have expressed their approval of the Gateway Monument Concept Drawings. The San Miguel Chamber of Commerce has indicated their intention to provide maintenance of the gateway monuments previously. Caltrans has provided oversight, through Local Assistance, of the funding process and in environmental documentation, and has issued an encroachment permit which allows for the construction of the gateway monuments within the State right-of-way.

The San Miguel Advisory Council has been advised that the Public Works Department is recommending rejection of all bids, and the reasons for the same.

## **FINANCIAL CONSIDERATIONS**

This is a multi-year project in the Road Fund at \$642,170 – WBS 300470. The total project costs are estimated at \$834,741. Funding for the project will come from Federal Surface Transportation Program – Local (STPL) in the amount of \$568,513 and the Road Fund in the amount of \$266,228. The estimated shortfall of \$192,571 would be funded from the Road Fund's Designated Reserve for Future Projects.

At the time of Award, when actual project costs are known, we will return to Your Board with a budget adjustment, to reconcile any funding shortfall.

Please see Exhibit "A" for an estimated cost breakdown of the project.

## **RESULTS**

Approval of the recommended action will result in the rejection of all bids, re-advertisement for bids, and the ultimate award of the contract for construction. Said contract work will improve the community of San Miguel. This, in turn, will result in a safer, more livable community.

File: Contract No. 300470

Reference: 15MAY19-C-12

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## **ATTACHMENTS**

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Bid Protest Letter, V. Lopez Jr. & Sons (3/18/2015)
4. Plans and Specifications